



GUIDELINES FOR THE ENFELD COMMERCIAL



REHABILITATION INVESTMENT PROGRAM

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FOR

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Enfield Community Development Loan Program (Effective October 2004)

Purpose and Priorities:

The Town of Enfield, through its Office of Community Development, is offering financial and technical assistance to owners of commercial and mixed-use properties in Thompsonville and portions of Route 5. The purpose of the Commercial Rehabilitation Investment Program (CRIP) is to encourage commercial property owners to invest in their properties through a combination of public sector loans and private dollars. These investments will work to renovate previously neglected storefronts and revitalize the town's traditional and historical business district.

Program Funding:

Funding for the Commercial Rehabilitation Program comes from a combination of State and Federal Community Development Block Grant funds aimed at improving living conditions for low and moderate income residents. The CRIP is designed to fund projects which will improve blighted conditions in the target area. It is a priority of the program to restore and rehabilitate deteriorated buildings in accordance with all applicable laws, codes, and historic preservation techniques.

Goals:

The overall goals of the program are as follows:

1. To provide an attractive, revitalized business district in Thompsonville that will spur further investment and reinvestment in the area.
2. To stabilize current businesses, commerce, housing, and job opportunities within the target area.
3. To eliminate blight and prevent further deterioration of commercial buildings, public grounds, and surrounding residential properties.
4. To increase the availability of goods and services in Thompsonville by utilizing vacant or abandoned commercial buildings.
5. To restore and preserve the structures in the Thompsonville Center Zone in a manner consistent with their unique historic and aesthetic characteristics.
6. To create a quality of life that is appealing to residents, property owners, investors, and visitors alike.

Eligibility:

All commercial or mix-use properties in the following Thompsonville and North Thompsonville census tracts, (4805, 4806, 4807) are eligible to apply. The area is roughly bounded by the Massachusetts State Line to the North, the Connecticut River to the West, Bridge Lane and Post Office Road to the South, and Interstate 91 to the East. The Town will determine the eligibility on a case by case basis and will reject applications that do not meet at least one of HUD's National Objectives. Those objectives are as follows:

- Activities that benefit low and moderate income individuals.
- Activities that work to eliminate slums and blight in designated areas.
- Activities that address a particularly urgent community development need.

Applications will be reviewed on a first-come, first served basis. Funding will only be awarded to those projects that best meet the program's goals and objectives. Please contact the OCD for eligibility information at 860-253-6390.

Financial Assistance:

The CRIP provides a forgivable loan option for **up to \$25,000** in façade and code improvements to eligible Commercial Property owners located within target area. The program requires a dollar for dollar private match from the proposed applicant. In other words, the owner must match the Town's total loan value with private funding. There are **3 levels of loan funding** from which owners / investors can choose. Because the funds come from the federal government, each funding level has specific procurement and wage rate requirement that must be met. However, the Town's Office of Community Development will provide **technical assistance** to applicants who may not be familiar with the process. The funding level details are shown in the Table A: below.

Table A:

PROJECT TYPE	LOAN AMOUNT	REQUIRED MATCH	PROCUREMENT REQUIREMENTS	WAGE RATE REQUIREMENTS
Micro Loan	Up to \$1,000	50% of project total	3 Quotes from licensed contractors	None
Small Loan	Up to \$5,000	50% of project total	3 Quotes from licensed contractors	Prevailing Wage Determinations
Large Loan	Up to \$25,000	50% of project total	Advertised Bids / Public Bid Process	Prevailing Wage Determinations

*Note: Prevailing wages required for projects over \$2,000 (Federal requirement)
Public bid process required for projects over \$10,000 (Town requirement)*

Forgivable Loan Example:

In a forgivable loan program, the loan principle is reduced annually over a predetermined time period. The loan is forgiven if the business / property owner remains in business for the full term of the loan.

For example:

Loan Duration	Payback Percentage
Year 1	100%
Year 2	90%
Year 3	80%
Year 4	70%
Year 5	60%
Year 6	50%
Year 7	40%
Year 8	30%
Year 9	20%
Year 10	0%

Under this scenario, if the business / property owner were to sell the property in the 5th year, the seller would repay 60% of the total loan value.

PROGRAM REQUIREMENTS**Architectural and Design Services:**

If required, it is the responsibility of the property owner to provide the architectural, engineering, and/or design work services at his/her expense. All designs must be approved by the Town.

Davis-Bacon Act / Prevailing Wage Rates:

Because the program funding is provided by the Federal government, contractors must comply with the provisions of the Davis-Bacon Act for all commercial projects that exceed \$2000.00. The OCD will provide contractors with all necessary wage determinations, forms, and other documentation.

Historic Preservation:

Program funding is subject to Federal Historic Preservation regulations. These regulations prohibit CDBG funds from adversely affecting any historic property that is listed on, or is eligible to be listed on the National Register of Historic Places. All such projects must be reviewed by OCD and the State's Historic Preservation Office. Properties that are located within the Enfield Street Historic District must also obtain approval from the Historic Commission.

Planning and Zoning Commission:

If required, it is the property owner's responsibility to obtain approvals from the Planning and Zoning Commission.

Public Procurement:

All proposals that exceed \$10,000.00 must be advertised in at least (1) publication of general circulation, and (1) publication of minority circulation. The Town is required to accept the lowest, responsible bidder. Bids will be reviewed by OCD staff, and property owner or his designee prior to awarding the contract.

Applicant Agreement:

Once a bid has been accepted, and final approval of the loan has been granted, a Memorandum of Agreement (MOA) will be signed between you and the OCD concerning your participation in the program. The agreement addresses such issues as non-discrimination, correction of code violations, labor standards and so forth. Once the MOA has been signed, a Construction Agreement will be prepared by the OCD and executed between you and the contractor.

Construction:

When the construction agreement is signed, a "Notice to Proceed" will be issued to the contractor outlining the time frame within which the work must be completed. OCD staff and other related departments will perform regular inspections as required. However, as the property owner, it is your responsibility to monitor the progress of the contractor and ensure that work is being performed to your satisfaction. If you have specific concerns regarding a contractor's performance please contact the OCD immediately.

Permits / Code Violations:

When the contract has been awarded, it is the responsibility of the contractor to obtain all necessary permits from the Building Department, Health Department, Fire District, or any other such department or agency as required. Work shall proceed within 30 days of the contract award.

Change orders:

Any change in the Scope of Work as outlined in the specifications requires a written change order signed by the owner, contractor, and OCD. Any work which is performed outside of the Scope of Work, and for which there is no change order, will not be considered for payment. If you or the contractor would like to submit a change order, contact the OCD immediately.

Project Closeout:

When the project is completed, a final inspection will be performed by the departments involved. Upon approval, a Certificate of Final Inspection will be prepared and must be signed by the owner(s) and the OCD. At this time all other outstanding documents will be signed.

OWNER RESPONSIBILITIES

Adherence to Project Design:

All program recipients must agree to adhere to the project design for a period of ten (10) years. You must agree not to alter or remove improvements during this period without first obtaining written approval from the OCD.

Maintenance:

It is the owner's responsibility to maintain the property in a manner that is consistent with the Scope of Work. If the property is not maintained to the satisfaction of the OCD, your loan will be called and you will be required to pay off the balance of the loan immediately.

Transfer / Sale of Property:

In the event that the property is sold or conveyed prior to the end of the loan term, the balance will become due at the point of sale or transfer. However, it is a stated goal of this program to provide stability to the target area. Therefore, it is strongly recommended that applicants demonstrate a commitment to the property, and make every reasonable effort to retain ownership of the property during the life of the loan.

Displacement of Tenants:

The participating property owner must agree that no tenant, either commercial or residential, will be displaced as a direct result of the owner's participation in the program. If the work results in the temporary displacement of tenants, it is the owner's responsibility to accommodate his tenants.

Non-Discrimination:

The owner shall agree that in renting or leasing available space within the subject property, there will be no discrimination upon the basis of race, national origin, color, sex, age, marital status, handicap status, or religion.

Mortgage:

Commercial Rehabilitation Loans are secured through a mortgage note and lien on the subject property in the same way as they are for conventional loans. It is your responsibility to ensure repayment of the loan within the agreed terms. There is no penalty for early payoff.